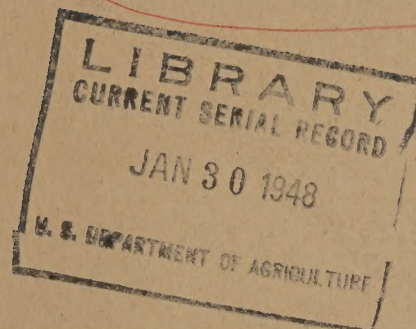


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REA BOOKKEEPING COURSE

Text No. 15
(Revised 6-25-46)

Accounting Period or Organization and Construction

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration
Finance Division
Washington 25, D. C.

ACCOUNTING PERIOD OF ORGANIZATION AND CONSTRUCTION

Text No. 15
(Revised)

1. INTRODUCTION

A concise account of how an REA-financed system is organized, its lines constructed, and operations begun is submitted under the following headings:

ORGANIZATION AND PREALLOTMENT
CONSTRUCTION
OPERATION

The purpose of this text and subsequent texts is to furnish the reader with a sequence of events which could occur in a typical electric cooperative during organization, construction, and operation. Varied types of transactions are used only for illustrative purposes and do not in any way constitute REA procedure or policy from an administrative standpoint, but are furnished purely to teach accounting and bookkeeping procedures.

2. ORGANIZATION PERIOD

The first stage of a cooperative is the organization period. A meeting is called by a group of local people which is attended by an REA representative of the Applications and Loans Division for the purpose of organizing an electric cooperative. A group, generally consisting of nine interested citizens, is chosen as Directors or Incorporators. This group selects an attorney to proceed with the organization of the cooperative. A coordinator is selected by the incorporators to solicit membership and right-of-way easements and to collect membership fees.

At the first meeting, the size of the membership fee, generally \$5.00 is determined. Membership funds are used to pay for necessary organization expenses such as charter and recording costs, coordinator's salary, etc.

Cash collections derived from membership fees should be handled in the following manner until such time as adequate bookkeeping records are installed:

(1) The coordinator should make a list containing the names of the members from whom membership fees are collected.

(2) A receipt should be furnished to each member from whom funds are collected and a copy of such receipt retained by the coordinator.

(3) These funds should be deposited intact in a bank in the proposed name of the cooperative.

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(4) All disbursements of funds should be paid by check, signed and countersigned by duly authorized officials.

(5) Detailed duplicate receipted invoices should be obtained for all payments made, including all salaries, mileage, and other miscellaneous expenses.

(6) All records relating to collections, payments, and other transactions should be maintained at one central location in the custody of the coordinator or other designated person.

(7) Any person or persons designated as responsible for the maintenance of the records and the handling of money should be bonded.

The above instructions, if followed, will greatly facilitate the work of the borrower and the REA auditor who will at a subsequent date install the accounting records of the new cooperative.

3. PREALLOTMENT PERIOD

After membership fees have been collected, an engineer is employed to prepare a preallotment survey map of the proposed lines and other necessary data for submission to REA.

If the data submitted prove the project is feasible, an allotment is made and a loan contract, note, and mortgage are executed by the cooperative and the Rural Electrification Administration for an amount sufficient to construct the proposed electric system.

After the loan contract, together with note and mortgage, is executed and the first advance of funds is made, an REA auditor installs the accounting records prescribed by the Rural Electrification Administration.

4. CONSTRUCTION PERIOD

Immediately upon the execution of the REA loan contract, the construction period begins. An electrical engineer is employed to prepare the plans and specifications and supervise the actual construction of the electric lines. This engineer may or may not be the same engineer employed for the preallotment survey work.

Upon completion of the plans and specifications, bids are obtained from construction contractors. The most desirable bid is accepted and a construction contract is executed between the cooperative and the contractor, subject to the approval of REA.

The construction contract generally includes only material and labor cost. Engineering and legal fees are included under separate contracts.

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There are many other items of cost (manager's salary and other overhead meters, et cetera) which are included as part of the total cost of the lines.

The amount of the loan contract is established in budget form to provide for all anticipated construction costs. The amounts of the various contracts and amounts for overhead and other costs are included therein. Advances are made by REA to the cooperative for construction purposes, as the needs arise, and in conformance with the budget purposes. Advances of funds are made through requests submitted by the cooperative on properly prepared and executed Form FI-121A, Financial Requirement Statement, which will be explained in a subsequent text. Funds received from REA are deposited in a bank designated by the cooperative and approved by REA as "cash-REA Construction Fund Trustee." Generally, REA Construction Fund disbursements made during the construction period should be applicable to construction activities and are considered a part of the total construction cost.

5. OPERATING PERIOD

The operating period begins with the date of energization of the first lines. However, if a system has one section of the energized lines in operation and another under construction, it is concerned with the operating expenses of one and the construction costs of the other. Where this condition exists, it is essential to distinguish between these charges, and properly to record transactions relative to operations and those applicable to construction. As an example, the salaries paid to the manager, bookkeeper, and others should be prorated to the amounts applicable to operations and to construction costs, based on actual time devoted to each type of activity.

6. BOOKKEEPING PROCEDURE

For the purposes of illustration and in order that the reader may have a clear understanding of all of the bookkeeping entries made during the various stages enumerated above--organization, preallotment, construction, and operating periods--illustrative entries are presented in their proper sequence in this and succeeding texts. Only sufficient representative entries are given to illustrate the bookkeeping procedures, it being understood that the number of transactions in actual practice would be far more numerous.

The illustrated entries are arranged in accordance with the discussions of the four stages mentioned, in order that the reader may readily identify them under the proper periods.

In the illustration of book entries, we shall assume that a cooperative called "48 STATES ELECTRIC COOPERATIVE" is organized in the month of May, 1945, as a non-profit organization with membership fee set at \$5.00 per member. An outline of the series of events taking place from the date of

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its organization, May 1945, is presented, with events common to the organization and preallotment periods appearing first.

A careful and detailed record of membership fees should be kept. This record should be in the form of duplicate receipts showing the member's name, date, and amount collected which will be used as the basis for establishing the membership records. The membership records are usually in the form of a membership card for each member, indicating the full name, address, amount paid, and the date of payment. A suggested form of this card is as follows:

48 STATES ELECTRIC COOPERATIVE					
MEMBERSHIP CARD					
					Certificate No. _____
Member's Name _____			Address _____		
Township _____			County _____		
Owner _____	Tenant _____	Service No. _____	Line No. _____	Branch _____	Pole No. _____
Membership Fee Paid _____ 19 _____		Application No. _____		Date of Application _____ 19 _____	
House Wiring Inspection Approved _____ 19 _____		Deposit Paid _____ 19 _____		Amount _____	
Remarks _____					

Membership collections during the organization and preallotment periods should be deposited intact as received in the bank selected by the directors. The necessary basic records and related data during these periods, as are explained, will comprise a detail of collections and deposits, check book stubs, canceled checks and bank statements, membership applications and membership cards, receipts and receipted duplicate invoices, minute book, and correspondence pertaining to organization and negotiations with REA.

The entries that follow represent those which an REA auditor will incorporate in opening the set of books at the time of the installation audit, based on the transactions during the stages of organization and preallotment.

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It will be noted that the entries involving cash disbursements made from the general funds are being reflected in the clearing account 103.1 - Construction Work in Progress - General for the purpose of maintaining a control over items that may be reimbursed from REA Construction Funds after the first advance has been made by REA. Upon the determination of the various items to be reimbursed from REA Construction Funds, the various charges will then be reflected in appropriate accounts. This procedure is in accordance with the present practice. From the preceding examples relating to the collection of membership fees, the entries for recording in the Cash Book established for the system would appear as follows (For simplicity, journal entries will be used throughout for illustrative purposes.):

<u>EVENTS</u>		<u>ENTRIES</u>		
			<u>Debit</u>	<u>Credit</u>
May, 1945		(1)		
Collections during entire month	:	120.1 Cash-General	\$3,790.00	
from 758 members:	:	204 Memberships		
Membership fees at \$5.00 each	:	Subscribed but		
deposited in General Funds.	:	unissued		\$3,790.00
	:	758 members @ \$5.00 each.		
June, 1945		(2)		
Collections from 457 additional	:	120.1 Cash-General	\$2,285.00	
members:	:	204 Memberships		
Membership fees at \$5.00 each	:	Subscribed but		
deposited in General Funds.	:	unissued		\$2,285.00
	:	457 members @ \$5.00 each.		
(3)	:	(3)		
Paid costs of filing incorporation	:	103.1 Construction Work in		
papers and securing charter, \$37.00:	:	Progress-General	\$ 37.00	
Issued General Funds Check No. 1	:	120.1 Cash-General		\$ 37.00
for \$37.00.	:	Issued Check No. 1 to the Secretary of		
	:	State for filing incorporation papers and		
	:	securing charter.		
(4)	:	(4)		
Paid coordinator's salary and	:	103.1 Construction Work		
mileage for soliciting right-of-	:	in Progress-General		
way easements as follows:	:		\$ 167.00	

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<u>EVENTS</u>		<u>ENTRIES</u>		<u>Debit</u>	<u>Credit</u>
(4) Cont.)		(4) (Cont.)			
Salary for month of May	\$150.00	: 228.3	Accrued U. S. Social		
Less Social Security Tax		:	Security Tax-Old Age		
	\$1.50	:	Benefit		1.50
Less Income Tax		: 230.2	Accrued Employees		
Withheld	<u>9.50</u>	:	Income Tax Withheld		9.50
	\$139.00	: 120.1	Cash-General		156.00
Mileage, 340 miles		:			
@ 5¢ per mile	17.00	:	Issued Check No. 2 to coordinator for		
Issued Check No. 2 for	<u>\$156.00</u>	:	salary on right-of-way easements for		
		:	the month of May, 1945		
(5)		(5)			
Paid attorney for legal fees and		: 103.1	Construction Work in		
other items as follows:		:	Progress-General	\$143.00	
		: 120.1	Cash-General		\$143.00
Organization of the		:			
Cooperative	\$125.00	:	Issued Check No. 3 to the attorney in		
Corporate Seal	10.00	:	payment of legal fees, corporate seal,		
Minute Book and		:	minute book, and miscellaneous items.		
miscellaneous items	8.00	:			
Issued Check No. 3 for	<u>\$143.00</u>	:			
(6)		(6)			
Paid coordinator for soliciting		: 103.1	Construction Work in		
right-of-way easements during		:	Progress-		
the month of June, 1945, plus		:	General	\$182.50	
mileage as follows:		: 228.3	Accrued U. S. Social		
		:	Security Tax-Old Age		
Salary for month of June	\$150.00	:	Benefit		\$ 1.50
Less Social Security		: 230.2	Accrued Employees'		
Tax	\$1.50	:	Income Tax Withheld		9.50
Less Income Tax		: 120.1	Cash-General		171.50
Withheld	<u>9.50</u>	:			
	\$139.00	:	Issued Check No. 4 to coordinator for		
Mileage, 650 miles		:	salary and mileage for the month of		
@ 5¢ per mile	32.50	:	June, 1945.		
Issued Check No. 4 for	<u>\$171.50</u>	:			
(7)		(7)			
Paid engineer for preallotment		: 103.1	Construction Work in		
maps prepared for Section A-1.		:	Progress-General	\$400.00	
		: 120.1	Cash-General		\$400.00
Issued Check No. 5 for \$400.00		:			
		:	Issued Check No. 5 to engineer		
		:	for preallotment maps on Section A-1.		

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<u>EVENTS</u>	:	<u>ENTRIES</u>	<u>Debit</u>	<u>Credit</u>
(8)	:	(8)		
Paid for services of a public stenographer for organization meetings.	:	103.1 Construction Work in Progress-General	\$35.00	
	:	120.1 Cash-General		\$35.00
Issued Check No. 6 for \$35.00	:	Issued Check No. 6 to public stenographer for services rendered.		
(9)	:	(9)		
REA loan contract and mortgage note executed in the amount of \$450,000.00, with interest at 2%.	:	135.1 Allotment Available from REA-Construction	\$450,000.00	
	:	213.1 Long-Term Debt-REA Construction		\$450,000.00
	:	To record mortgage note executed in favor of REA.		
(10)	:	(10)		
Paid directors for 5 meetings as follows:	:	103.1 Construction Work in Progress-General	\$ 185.75	
	:	120.1 Cash-General		\$185.75
March 10	:	Issued Check No. 7 for		
" 25	:	directors' fees and mileage,		
April 2	:	as follows:		
May 8	:			
June 8	:			
\$37.50	:	March 10	\$37.50	
39.00	:	" 25	39.00	
34.25	:	April 2	34.25	
37.50	:	May 8	37.50	
37.50	:	June 8	37.50	
<u>\$185.75</u>	:		<u>\$185.75</u>	
Although individual checks would ordinarily be issued to each director, in this instance, for the sake of brevity, only one check was issued to illustrate the complete transaction. Individual receipts showing date of meeting, fee, miles traveled, rate per mile, and total amount paid, should be obtained.	:			
Check No. 7 was issued in payment.	:			

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<u>EVENTS</u>	:	<u>ENTRIES</u>	<u>Debit</u>	<u>Credit</u>
(11)	:	(11)		
Paid premium for non-ownership insurance policy covering personal vehicles used for cooperative business in connection with right-of-way for the period from May 1, 1945, to April 30, 1946.	:	103.1 Construction Work in Progress-General	\$20.00	
	:	120.1 Cash-General		\$20.00
	:	Issued Check No. 8 for premium paid for non-ownership policy No. 123,810.		
Issued check No. 8 for \$20.00.	:			
(12)	:	(12)		
Paid for office supplies purchased	:	103.1 Construction Work in Progress-General	\$21.50	
Postage	:	120.1 Cash-General		\$21.50
	:			
Issued Check No. 9 for	:	Issued Check No. 9 for office supplies and postage to be used during construction.		
(13)	:	(13)		
Rental of office for month of July, 1945.	:	103.1 Construction Work in Progress-General	\$25.00	
	:	120.1 Cash-General		\$25.00
Issued Check No. 10 for	:	Issued Check No. 10 in payment of rent for the month of July, 1945.		
(14)	:	(14)		
Paid County Clerk for recording REA mortgage.	:	103.1 Construction Work in Progress-General	\$17.50	
	:	120.1 Cash-General		\$17.50
Issued Check No. 11 for \$17.50	:	Issued Check No. 11 to County Clerk for recording REA mortgage.		
(15)	:	(15)		
Paid notary fee for right-of-way easements (450 @ 25¢ each).	:	103.1 Construction Work in Progress-General	\$112.50	
	:	120.1 Cash-General		\$112.50
Issued Check No. 12 for \$112.50.	:	Issued Check No. 12 in payment of notary fee for right-of-way easements.		

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<u>EVENTS</u>	<u>ENTRIES</u>	<u>Debit</u>	<u>Credit</u>
(16)	(16)		
Paid County clerk for recording right-of-way easements.	: 103.1 Construction Work in Progress-General	\$135.00	
	: 120.1 Cash-General		\$135.00
Issued Check No. 13 for \$135.00.	: Issued Check No. 13 to County Clerk for recording right-of-way easements.		
(17)	(17)		
July, 1945			
Purchased and paid for office equipment including safe, files, typewriters, adding machine, desk, etc.	: 103.1 Construction Work in Progress-General	\$875.00	
	: 120.1 Cash-General		\$875.00
Issued Check No. 14 for \$875.00.	: Issued Check No. 14 in payment for office equipment purchased July 1.		
Note: In states where sales tax is charged, such tax is included as part of the cost of the equipment. This rule would apply to the purchase of office equipment, tools and work equipment, meters, transformers, etc.			
(18)	(18)		
Paid for advertising of bids on construction contract. Contract is awarded to most desirable bidder.	: 103.1 Construction Work in Progress-General	\$19.00	
	: 120.1 Cash-General		\$19.00
Issued Check No. 15 for \$19.00.	: Issued Check No. 15 in payment for advertising of bids on construction contract for Section A-1.		
(18A)	(18A)		
Accrued Social Security Tax, O.A.B., on payroll for May and June for the following salaries:	: 103.1 Construction Work in Progress - General	\$3.00	
	: 228.3 Accrued U.S. Social Security Tax, O.A.B.		\$3.00
May - Coordinator 150.00			
June- Coordinator 150.00	: To record accrued Social Security Tax, O.A.B., for May and June.		
Note: The above entry is made at the time of installing the records: since no previous entries were made. It should be noted, however; that all accruals for Social Security on payrolls should be recorded at the end of each month.			

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<u>EVENTS</u>	<u>ENTRIES</u>	<u>Debit</u>	<u>Credit</u>
(19)	(19)		
Issued Checks Nos. 16 through 23 in payment of bills for the following during the month of June, 1945:	: 228.3 Accrued U. S. Social : Security Tax, O. A. B. \$ 6.00 : 230.2 Accrued Employee's : Income Tax Withheld 19.00 : 103.1 Construction Work in : Progress-General 127.00 : 120.1 Cash-General \$152.00		
Telephone Service \$ 12.00	: Issued Checks Nos. 16 through 23		
Electric Service 2.75	: in payment of bills for the		
Electric Fan 7.90	: following during the month of		
REA Sign 12.35	: June, 1945:		
Trip to REA Hdqtrs. in connection with construction contract 75.00	: Telephone Service \$ 12.00		
Accrued Social Security	: Electric Service 2.75		
Tax, O. A. B. 6.00	: Electric Fan 7.90		
Income Tax Withheld 19.00	: REA Sign 12.35		
Insurance premium	: Trip to REA Hdqtrs. in		
Fidelity Bond &	: connection with		
Fire Insurance 17.00	: construction contract 75.00		
<u>\$152.00</u>	: Accrued Social Security		
	: Tax, O. A. B. 6.00		
	: Income Tax Withheld 19.00		
	: Insurance premium		
	: Fidelity Bond &		
	: Fire Insurance 17.00		
	<u>\$152.00</u>		
(20)	(20)		
Paid for books, records, and supplies.	: 103.1 Construction Work in : Progress-General \$ 72.00		
Issued Check No. 24 for \$72.00.	: 120.1 Cash-General \$ 72.00		
	: Issued Check No. 24 in payment : for office supplies.		
(21)	(21)		
Established Petty Cash Imprest Fund by action of the Board.	: 122 Petty Cash \$ 25.00		
	: 120.1 Cash-General \$ 25.00		
Issued Check No. 25 for \$25.00.	: Issued Check No. 25 for the : establishment of a petty : cash fund.		

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<u>EVENTS</u>		<u>ENTRIES</u>	<u>Debit</u>	<u>Credit</u>
(22)		(22)		
Paid manager's salary and mileage for the month of July, 1945, as follows:		103.1 Construction Work in Progress-General	\$178.00	
Salary \$150.00		120.1 Cash-General		\$167.00
Less Social Security Tax, O.A.B. \$1.50		228.3 Accrued U. S. Social Security Tax, O.A.B.		1.50
Income Tax Withheld 9.50	11.00	230.2 Accrued Employee's Income Tax Withheld		9.50
	\$139.00			
Mileage, 560 mi. @ 5¢	28.00	Issued Check No. 26 to manager for salary, month of July, 1945, plus mileage.		
Issued Check No. 26 for	\$167.00			
(23)		(23)		
Paid stenographer's salary for month of July, as follows:		103.1 Construction Work in Progress-General	\$100.00	
Salary \$100.00		120.1 Cash-General		\$ 94.00
Less Social Security Tax, O.A.B. \$1.00		228.3 Accrued U. S. Social Security Tax, O.A.B.		1.00
Income Tax Withheld 5.00	6.00	230.2 Accrued Employee's Income Tax Withheld		5.00
Issued Check No. 27 for	\$ 94.00			
		Issued Check No. 27 to stenographer for July salary.		
(24)		(24)		
Accrued Social Security Tax, O.A.B., on payroll for July for the following salaries:		103.1 Construction Work in Progress-General	\$ 2.50	
		228.3 Accrued U.S. Social Security Tax, O.A.B.		\$ 2.50
		To record accrued Social Security Tax, O.A.B., for July.		
(25)		(25)		
Prepared first Financial Requirement Statement, Form FI-121A, in the amount of \$18,002.75.		NONE		
(26)		(26)		
Received check from the Treasurer of the United States in the amount of \$18,002.75, dated August 2, 1945, which is deposited in the REA Construction Fund bank account.		120.2 Cash-REA Construction Fund-Trustee	\$18,002.75	
		135.1 Allotment Available from REA-Construction		\$18,002.75
		To record check received from the Treasurer of the United States, dated August 2, 1945.		

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<u>EVENTS</u>			<u>ENTRIES</u>	
			<u>Debit</u>	<u>Credit</u>
(27)			(27)	
Drew and deposited REA Construction	103.2	Construction Work in		
Check No. 1 in the amount of		Progress-REA		
\$2,838.75 payable to the General		Construction	\$1,120.85	
Fund, reimbursing for the following	301	Organization	215.00	
checks paid by General Funds which	350	Land & Land Rights	620.00	
had been charged to Account 103.1-	372	Office Furniture and		
Construction Work in Progress-		Equipment	882.90	
General. A list of the accounts	120.2	Cash-REA Con-		
to which the charges are to be		struction Fund-		
cleared from Account 103.1 is		Trustee		\$2,838.75
also given.				
Check	Account		To reimburse General Funds for the	
No.	Chargeable		attached list of expenditures	
1	301		allowable from REA Construction	
2	350		Funds.	
3	301			
4	350	(27-A)		
5	103.2	120.1 Cash-General	\$2,838.75	
6	301	103.1 Construction Work in		
7	103.2	Progress-General		\$2,838.75
8	350			
9	103.2	To record refund from REA		
10	103.2	Construction Funds for the attached		
11	103.2	list of expenditures originally made		
12	350	from General Funds.		
13	350			
14	372			
15	103.2			
16	103.2			
17	103.2			
18	372			
19	103.2			
20	103.2			
21	350			
22	350			
23	103.2			
24	103.2			
26	103.2			
27	103.2			
\$2,838.75				

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At this time it is deemed advisable to outline two possible methods of recording the reimbursement check from the REA Construction Funds to the General Funds. One method involves the use of Account No. 120.6 - Transfers of cash and is used when the transfer of cash does not involve reclassification of changes to either account.

The other method involves the recording of the cash disbursement check from REA Construction Funds by direct charges to the accounts affected by the Reimbursement items, and to credit 120.2 Cash-REA Construction Fund-Trustee; and, conversely, recording the cash received in the General Funds account by a debit to Account 120.1 - Cash - General, and a credit to the appropriate accounts for the amount reimbursed.

By either one of the methods, it will be observed that a complete control is maintained by the use of the Account 103.1 to reflect the total disbursements made from General Funds during a period. When a reimbursement is made, the Account 103.1 should reflect only the actual balance not yet reimbursed.

It will be observed after we have illustrated the methods of recording the reimbursement, that a balance of \$19.50 remains in Account 103.1 to be reimbursed from REA Construction Funds. \$5.00 of this amount represents Social Security Tax deductions from employees' salaries and the employer's one per cent accrued obligation on these salaries for the month of July, the credits for which appear in the Account 228.3 - Accrued U. S. Social Security Tax. \$14.50 represents Income Tax withheld from employees' salaries and credited to Account 230.2, accrued employee's Income Tax Withheld. These cannot be reimbursed until the actual payments have been made to the Collector of Internal Revenue. The two methods of recording the reimbursement check are as follows:

FIRST METHOD

When the check is drawn from Cash-REA Construction Fund Trustee to the order of Cash-General, the theoretical journal entry representing that reimbursement would be: Debit Account 120.6 - Transfer of Funds, \$2,838.75; Credit Account 120.2 - Cash - REA Construction Fund-Trustee \$2,838.75. When this check is deposited to the Cash-General account the entry would appear: Debit Account 120.1 - Cash - General, \$2,838.75; Credit Account 120.6 - Transfers of Cash \$2,838.75.

SECOND METHOD

The other method of handling the reimbursement check would be through the cash receipts and disbursements record, eliminating the use of the Transfers of cash account and the adjusting journal entry.

When the check is drawn on the Cash-REA Construction Fund-Trustee account, the entry, like No. 27, would be made in the REA Construction - Fund Trustee Cash Disbursements record. When the REA Construction check is recorded and deposited in Cash-General, an entry, like No. 27-A, would be made in the Cash-General - Cash Received record.

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Three important points are illustrated by either one of the methods in recording the reimbursement check, namely: (1) The transfer of the funds from the Cash REA Construction Fund-Trustee to the General account; (2) The ultimate recording of the disbursements to appropriate accounts; (3) The reduction of the balance in the Account 103.1 by the amount reimbursed, so that Account 103.1 will at all times reflect the cost paid from Cash - General.

In order to give the reader a better understanding of the underlying reasons for the various charges made to the accounts shown, a brief discussion of each item originally debited to Account 103.1 will follow. The following charges are to be transferred to Account 103.2 Construction Work in Progress - Special Construction for the reasons given:

General Funds Check No. 5, representing payment to the engineer for the preparation of preallotment maps applicable to Section A-1, is to be reimbursed from REA Construction Funds because these maps constitute a preliminary expense in preparation for the construction and are to be considered a part of the cost of that section of the line.

Check No. 7 represents payment to the directors for five meetings. Since the meetings of the directors were primarily for the purpose of obtaining construction funds from REA, reviewing bids and general discussion involving the preliminary steps for the construction of Section A-1, it follows that these payments constitute a part of the cost of that section of the line.

Check No. 9 was issued for payment of office supplies and postage stamps aggregating \$21.50. Since the cooperative is in the construction period these office supplies and postage stamps will probably be used for construction purposes only and, therefore, constitute proper overhead charges applicable to that section.

Check No. 10 was issued in payment of rent for the month of July and the charge is to be capitalized because of the fact that the cooperative is primarily concerned with the construction at this time.

Check No. 11 covering the cost of recording the REA mortgage, is included among the Special Construction items inasmuch as it represents a cost of financing during the construction period.

Check No. 15, representing the payment for advertising for bids of the construction contract, appears self-explanatory and needs no further comment.

Checks Nos. 16, 17, 19, 20, and 23 represent general overhead construction expenses and, therefore, are proper charges to the cost of construction.

Similarly, Checks Nos. 24, 26, and 27 represent overhead construction costs on the premise that the time of both the manager and the stenographer was devoted to activities related to the construction of the system. Likewise, books, records, and supplies purchased are chargeable to construction costs.

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The remaining charges included in the reimbursement are distributed among the following accounts: Account 301 deals with expenditures relating to the organization of the cooperative. Included in this account are the following types of charges:

1. Costs of filing corporation papers and securing charter, including fees and expenses for incorporation.
2. Stock and minute book and corporate seal.
3. Stock and membership certificates.
4. Fees and expenses incident to merger and consolidations.
5. Any other expenses incurred incident to the organization.

Charges to Account 350 - Land and Land Rights, represent disbursements for salaries and mileage to the coordinator for soliciting right-of-way easements. Also, any charges or expenses incurred in connection with acquiring easements, such as notary and recording fees, are chargeable to this account.

Charges to Account 372 - Office Furniture and Equipment are believed self-explanatory. It should be remembered that in making reimbursements from the REA Construction Funds to the General Funds the basis for making such reimbursements should be at all times the actual amount paid from General Funds.

The second method discussed has been used in this text. The \$1,120.85 charge to Account 103.2 was broken down by items to provide full information enabling Account 103.2 to be cleared upon completion of construction.

The following events are typical of the construction period:

<u>EVENTS</u>	:	<u>ENTRIES</u>		
(28)	:	(28)	<u>Debit</u>	<u>Credit</u>
Paid engineer first payment in accordance with engineer's contract	:	103.2 Construction Work in Progress - Special Construction	\$1,500.00	
Issued REA Construction Check No. 2 for \$1,500.00.	:	120.2 Cash-REA Construction Fund-Trustee		\$1,500.00
	:	Issued REA Trustee Construction Check No. 2 as first payment to engineer in accordance with engineer's contract.		
(29)	:	(29)		
Paid contractor for 90% of actual work performed. Invoices submitted	:	103.2 Construction Work in Progress-Special Construction	\$11,000.00	
	:	222.2 Accounts Payable-Special Construction		\$1,100.00
	:			

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<u>EVENTS</u>	:	<u>ENTRIES</u>	<u>Debit</u>	<u>Credit</u>
(29) (Cont.)	:	(29) (Cont.)		
Issued REA Construction Check No. 3 for \$9,900.00.	:	120.2 Cash REA Construction Fund- Trustee		\$9,900.00
	:	Issued REA Construction Check No. 3 to contractor for 90% of actual work performed. Also to record obligation to contractor for 10% withheld.		
(30)	:	(30)		
Paid contractor for clearing right-of-way. The clearing of right-of-way was performed under contract.	:	350 Land and Land Rights	\$450.00	
	:	120.2 Cash-REA Construction Fund - Trustee		\$450.00
Issued REA Construction Check No. 4 for \$450.00.	:	Issued REA Construction Check No. 4 in payment for clearing right-of-way.		
(31)	:	(31)		
Purchased and paid for 3/4 ton truck.	:	373 Transportation Equipment	\$950.00	
	:	120.2 Cash-REA Construction Fund- Trustee		\$950.00
Issued REA Construction Check No. 5 for \$950.00.	:	Issued REA Construction Check No. 5 for purchase of 3/4 ton truck.		
(32)	:	(32)		
Paid to XYZ Trust Company, trustee fees.	:	103.2 Construction Work in Progress-Special Construction Fund- Trustee	\$100.00	
Issued REA Construction Check No. 6 for \$100.00.	:	Issued REA Construction Check No. 6 to XYZ Trust Company, trustee fees.		
(33)	:	(33)		
Paid rent.	:	103.2 Construction Work in Progress-Special Construction	\$ 25.00	
	:	120.2 Cash-REA Construction Fund - Trustee		\$25.00
Issued REA Construction Check No. 7 for \$25.00.	:	Issued REA Construction Check No. 7 for August rent.		

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<u>EVENTS</u>			<u>ENTRIES</u>	
			<u>Debit</u>	<u>Credit</u>
(34)			(34)	
Paid electric light bill.			103.2 Construction Work in	
			Progress - Special	
Issued REA Construction			Construction	3.50
Check No. 8 for	\$ 3.50		120.2 Cash - REA Con-	
			struction Fund -	
			Trustee	3.50
			Issued REA Construction	
			Check No. 8 for electric light	
			for the month of August.	
(35)			(35)	
Paid telephone bill.			103.2 Construction Work in	
			Progress - Special	
Issued REA Construction			Construction	17.00
Check No. 9 for	17.00		120.2 Cash - REA Construc-	
			tion Fund - Trustee	17.00
			Issued REA Construction	
			Check No. 9 for August	
			telephone service	
(36)			(36)	
Bought postage stamps			103.2 Construction Work in	
			Progress - Special	
Issued REA Construction			Construction	10.00
Check No. 10 for	10.00		120.2 Cash - REA Con-	
			struction Fund -	
			Trustee	10.00
			Issued REA Construction	
			Check No. 10 for postage stamps	
(37)			(37)	
Purchased office supplies.			103.2 Construction Work in	
			Progress - Special	
Issued REA Construction			Construction	7.50
Check No. 11 for	7.50		120.2 Cash - REA Con-	
			struction Fund - Trustee	7.50
			Issued REA Construction	
			Check No. 11 for office	
			supplies.	

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<u>EVENTS</u>	<u>ENTRIES</u>	<u>Debit</u>	<u>Credit</u>
(38)	(38)		
Paid for auto license for new truck.	103.2 Construction Work in Progress - Special Construction	\$15.00	
Issued REA Construction Check No. 12 \$15.00	120.2 Cash - REA Construction Fund - Trustee		\$15.00
	Issued REA Construction Check No. 12 for auto license for new truck.		
(39)	(39)		
Paid manager's salary for month \$200.00	103.2 Construction in Progress - Special Construction	217.50	
Less Social Security Tax, O.A.B. \$2.00	120.2 Cash - REA Construction Fund - Trustee		198.50
Less Income Tax Withheld 17.00 19.00	228.3 Accrued U. S. Social Security Tax, O.A.B.		2.00
Mileage 350 mi. @ 5¢ 17.50	230.2 Accrued Employee's Income Tax Withheld		17.00
Issued REA Construction Check No. 13 for \$198.50	Issued REA Construction Check No. 13 in payment of Manager's salary for the month of August.		
(40)	(40)		
Paid stenographer's salary for month \$100.00	103.2 Construction work in Progress - Special Construction	100.00	
Less Social Security Tax, O.A.B. \$1.00	120.2 Cash - REA Construction Fund - Trustee		94.00
Less Income Tax Withheld 5.00 6.00	228.3 Accrued U. S. Social Security Tax, O.A.B.		1.00
	230.2 Accrued Employee's Income Tax Withheld		5.00
Issued REA Construction Check No. 14 for \$ 94.00	Issued REA Construction Check No. 14 to stenographer for salary month of August.		

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<u>EVENTS</u>	:	<u>ENTRIES</u>	<u>Debit</u>	<u>Credit</u>
(41)	:	(41)		
Paid directors' fees for month	:	103.2 Construction Work in		
	:	Progress - Special		
Issued REA Construction	:	Construction \$	30.50	
Check No. 15 for \$ 30.50	:	120.2 Cash - REA Con-		
	:	struction Fund-Trustee		30.50
In actual practice checks would be	:			
issued to each director, but to	:	Issued REA Construction		
reduce the volume of entries only	:	Check No. 15 for directors fees		
one check was drawn for all	:	for August meeting.		
directors for this event.	:			
Submitted Financial Requirement	:			
Statement No. 2 for \$130,550.00,	:			
together with Expenditure Statement:	:			
No. 1 for the period ending August	:			
31, 1945.	:			
(42)	:	(42)		
<u>Sept., 1945</u>	:			
Received check from Treasurer of	:	120.2 Cash - REA Construc-		
the United States, dated Sept. 3,	:	tion Fund-Trus-		
1945. \$130,550.00	:	tee \$130,550.00		
	:	135.1 Allotment Avail-		
	:	able from REA		
	:	Construction		\$130,550.00
	:			
	:	To record receipt of check		
	:	from U. S. Treasury dated		
	:	September 3, 1945.		
(43)	:	(43)		
Contractor's Invoice rendered,	:	103.2 Construction Work in		
representing work completed in	:	Progress - Special		
August \$133,000.00	:	Construction \$133,000.00		
Less 10% Withheld 13,300.00	:	120.2 Cash - REA Con-		
\$119,700.00	:	struction Fund-		
	:	Trustee		\$119,700.00
Issued REA Construction Check	:	222.2 Accounts Payable		
No. 16.	:	Special Construction		13,300.00
	:			
	:	Issued REA Construction		
	:	Check No. 16 in payment of		
	:	Contractor's August invoice.		

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(Revised)
Debit Credit

<u>EVENTS</u>	:	<u>ENTRIES</u>		
(44)	:	(44)		
Purchased meters and meter sockets.	:	360 Meters	\$7,250.00	
	:	120.2 Cash - REA		
	:	Construction Fund -		
Issued REA Construction*	:	Trustee		\$7,250.00
Check No. 17 for \$7,250.00	:			
	:	Issued REA Trustee Construction		
	:	Check No. 17 for purchase of		
	:	meters and meter sockets.		
	:			
(45)	:	(45)		
Paid contractor for meter installations	:	360 Meters	275.00	
	:	120.2 Cash - REA		
	:	Construction Fund -		
Issued REA Construction	:	Trustee		275.00
Check No. 18 for 275.00	:			
	:	Issued REA Construction		
	:	Check No. 18 to contractor		
	:	for meter installations.		
	:			
(46)	:	(46)		
Paid attorney part payment for services rendered. Issued REA Construction Check No. 19 for 500.00	:	103.2 Construction Work in Progress - Special Construction	500.00	
	:	120.2 Cash - REA		
	:	Construction Fund -		
	:	Trustee		500.00
	:			
	:	Issued REA Construction		
	:	Check No. 19 in part payment of attorney's fees.		
	:			
(47)	:	(47)		
Paid attorney for miscellaneous legal expenses, filing fees, etc.	:	103.2 Construction Work in Progress - Special Construction	63.50	
	:	120.2 Cash - REA		
	:	Construction Fund -		
Issued REA Construction check No. 20 for 63.50	:	Trustee		63.50
	:			
	:	Issued REA Construction		
	:	Check No. 20 to Attorney for Miscellaneous legal expenses, filing fees, etc.		

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(Revised)

EVENTS	ENTRIES	Debit	Credit
(48)	(48)		
Wade payment to engineer in accordance with contract.	103.2 Construction Work in Progress - Special Construction	\$1500.00	
Issued Check No. 21 for \$1500.00:	120.2 Cash - REA Construction Fund - Trustee		\$1500.00
	Issued REA Construction Check No. 21 for payment to engineer.		
(49)	(49)		
Paid for clearing right-of-way.	350 Land & Land Rights	450.00	
	120.2 Cash - REA Construction Fund - Trustee		450.00
Issued REA Construction Check No. 22 for 450.00:	Issued REA Construction Check No. 22 for right-of-way clearing.		
(50)	(50)		
Paid manager's salary 200.00 Less Social Security Tax 2.00	103.2 Construction Work in Progress - Special Construction	225.25	
Less Income Tax Withheld 17.00	228.3 Accrued U. S. Social Security Tax, O.A.B.		2.00
	19.00		
	181.00		
Mileage 505 @ 5¢	230.2 Accrued Employee's Income Tax Withheld		17.00
	25.25		
	206.25		
Issued REA Construction Check No. 23	120.2 Cash-REA Construction Issued REA Fund-Trustee Construction Check No. 23 for manager's salary for month of September, 1945.	206.25	206.25
(51)	(51)		
Paid Bookkeeper's salary for month 150.00	103.2 Construction Work in Progress - Special Construction	150.00	
Less Social Security Tax, O.A.B. 1.50	228.3 Accrued U.S. Social Security Tax O.A.B.		1.50
Less Income Tax Withheld 22.00	230.2 Accrued Employee's Income Tax Withheld		22.00
	23.50		
	126.50		
Issued REA Construction Check No. 24 for	120.2 Cash REA Construction Fund - Trustee		126.50
	Issued REA Construction Check No. 24 for bookkeeper's salary, month of Sept.	126.50	

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<u>EVENTS</u>	:	<u>ENTRIES</u>	<u>Debit</u>	<u>Credit</u>
(52)	:	(52)		
Paid stenographer's salary for month	:	103.2 Construction Work in Progress - Special		
Less Social Security Tax, O.A.B. 1.00	:	Construction	\$100.00	
Less Income Tax Withheld 5.00	:	228.3 Accrued U. S. Social Security Tax, O.A.B.		\$1.00
	:	230.2 Accrued Employee's Income Tax Withheld		5.00
	:	120.2 Cash - REA Construction Fund - Trustee		94.00
Issued REA Construction Check No. 25	:			
	:	Issued REA Construction Check No. 25 for Stenographer's salary for month of September.		
(53)	:	(53)		
Paid telephone bill	:	103.2 Construction Work in Progress - Special		
Issued REA Construction Check No. 26 for 16.50	:	Construction	16.50	
	:	120.2 Cash - REA Construction Fund - Trustee		16.50
	:	Issued REA Construction Check No. 26 for telephone bill for month of September		
(54)	:	(54)		
Paid electric light bill	:	103.2 Construction Work in Progress - Special		
Issued REA Construction Check No. 27 for 4.25	:	Construction	4.25	
	:	120.2 Cash - REA Construction Fund - Trustee		4.25
	:	Issued REA Construction Check No. 27 for electric light bill.		
(55)	:	(55)		
Paid for office supplies	:	103.2 Construction Work in Progress - Special		
Issued REA Construction Check No. 28 for 5.00	:	Construction	5.00	
	:	120.2 Cash REA Construction Fund - Trustee		5.00
	:	Issued REA Construction Check No. 28 for office supplies.		

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<u>EVENTS</u>		<u>ENTRIES</u>		
			<u>Debit</u>	<u>Credit</u>
(56)		(56)		
Paid gas and oil bill on clearing right-of-way.		: 350 Land & Land Rights	\$ 23.00	
		: 120.2 Cash - REA Con-		
		: struction Fund - Trustee		\$23.00
Issued REA Construction Check No. 29 for	\$ 23.00	: Issued REA Construction		
		: Check No. 29 for gas and oil		
		: on clearing right-of-way.		
(57)		(57)		
Paid rent for month.		: 103.2 Construction Work		
		: in Progress -		
Issued REA Construction Check No. 30 for	25.00	: Special Construc-		
		: tion	25.00	
		: 120.2 Cash - REA Con-		
		: struction Fund -		
		: Trustee		25.00
		: Issued REA Construction		
		: Check No. 30 for rent, month		
		: of September		
(58)		(58)		
Paid premium on P/L & P/D Work-		: 103.2 Construction Work in		
men's Compensation, Manufacturer's,		: Progress - Special		
Liability etc., insurance policy		: Construction	450.00	
for period from May 1, 1945 to		: 120.2 Cash - REA Con-		
April 30, 1946.		: struction Fund -		
		: Trustee		450.00
Issued REA Construction Check No. 31 for	450.00	: Issued REA Construction		
		: Check No. 31 for insurance		
		: policy premium.		
(59)		(59)		
Purchased and paid for tools and		: 377 Tools & Work Equip-		
work equipment.		: ment	42.00	
Issued Check No. 32 for	42.00	: 120.2 Cash - REA Con-		
		: struction Fund -		
		: Trustee		42.00
		: Issued REA Construction		
		: Check No. 32 for tools and		
		: Equipment		

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<u>EVENTS</u>	:	<u>ENTRIES</u>	<u>Debit</u>	<u>Credit</u>
(60)	:	(60)		
Financial Requirement Statement	:	NONE		
No. 3 was prepared and submitted	:			
in the amount of \$247,210.00,	:			
together with an Expenditure	:			
Report, accounting for all REA	:			
construction disbursements up	:			
to and including September	:			
30, 1945.	:			
(61)	:			
October, 1945	:			
Contractor completed all of the work:	:	103.2 Construction Work in		
called for by construction contract.:	:	Progress - Special		
Final inspection is made and fee is	:	Construction	\$285.00	
paid.	:	120.2 Cash - REA Con-		
	:	struction Fund -		
Issued Check No. 33 for \$285.00	:	Trustee		\$285.00
	:	Issued REA Construction		
	:	Check No. 33 for inspector's		
	:	fee.		
(62)	:	(62)		
Check is received from the	:	120.2 Cash - REA Construc-		
Treasurer of the United States	:	tion Fund - Trustee	247,210.00	
dated October 5, 1945, and is	:	135.1 Allotment available		
deposited in REA Construction	:	from REA - Con-		
Funds. 247,210.00	:	struction		247,210.00
	:	To record receipt of check		
	:	from U. S. Treasury dated Oct.		
	:	5, 1945.		
(63)	:	(63)		
Paid contractor in full up to 90%	:	103.2 Construction Work in		
of total contract \$185,400.00 com-	:	Progress - Special		
puted as follows:	:	Construction	206,000.00	
Total Inventory 350,000.00	:	120.2 Cash - REA Con-		
Less 10% retained 35,000.00	:	struction Fund -		
Net Amount due 315,000.00	:	Trustee		185,400.00
Less Previous amount	:	222.2 Accounts Payable		
paid 129,600.00	:	Special Construction		20,600.00
Balance due 185,400.00	:	Issued REA Construction Check No.		
Issued Check No. 34 for 185,400.00	:	34 for payment to contractor. Also		
	:	to record liability to contractor		
	:	for 10% withheld.		

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<u>EVENTS</u>		<u>ENTRIES</u>		
(64)		(64)	<u>Debit</u>	<u>Credit</u>
Payment on legal fees, Section A-1.		103.2 Construction Work in Progress - Special Construction	875.00	
Issued Check No. 35 for	875.00	120.2 Cash REA Construction Fund - Trustee		875.00
		Issued REA Construction Check No. 35 for legal fees.		
(65)		(65)		
Paid Engineer up to 90% of the total fee, due in accordance with contract, computed as follows:		103.2 Construction Work in Progress - Special Construction	\$9,000.00	
Total Contract	\$12,000.00	120.2 Cash - REA Construction Fund - Trustee		\$7,800.00
Less 10% pending preparation of inventory	1,200.00	222.2 Accounts Payable - Special Construction		1,200.00
Balance due	<u>10,800.00</u>			
Less previous payments made		Issued REA Construction Check No. 36 to engineer in accordance with contract. Also to record obligation to engineer for 10% withheld.		
Aug. \$1,500.00				
Sept. <u>1,500.00</u>	<u>3,000.00</u>			
Issued Check No. 36 for	7,800.00			
(66)		(66)		
Paid for right-of-way clearing.		350 Land & Land Rights	850.00	
		120.2 Cash - REA Construction Fund - Trustee		850.00
Issued REA Construction Check No. 37 for	850.00	Issued REA Construction Check No. 37 in payment for right-of-way clearing.		
(67)		(67)		
Paid manager's salary for month	200.00	103.2 Construction Work in Progress - Special Construction	227.50	
Less Social Security Tax, O.A.B.	2.00	228.3 Accrued U.S. Social Security Tax, O.A.B.		2.00
Less Income Tax Withheld	<u>17.00</u>	120.2 Cash - REA Construction Fund - Trustee		208.50
	19.00	230.2 Accrued Employee's Income Tax Withheld		17.00
Mileage 550 miles @ 5¢	<u>27.50</u>			
	208.50	Issued REA Construction Check No. 38 for manager's salary for October.		

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<u>EVENTS</u>	:	<u>ENTRIES</u>	<u>Debit</u>	<u>Credit</u>
(68)	:	(68)		
Paid bookkeeper's salary for month	\$150.00:	103.2 Construction Work in Progress - Special Construction	\$150.00	
Less Social Security Tax, O.A.B. 1.50	:	228.3 Accrued U. S. Social Security Tax, O.A.B.		\$ 1.50
Less Income Tax Withheld 22.00	23.50:	230.2 Accrued Employee's Income Tax Withheld		22.00
	<u>126.50</u> :	120.2 Cash - REA Construction Fund - Trustee		126.50
Issued Check No. 39 for	\$126.50:			
	:	Issued REA Construction Check No. 39 for bookkeeper's salary for October.		
(69)	:	(69)		
Paid Stenographer's salary for month	100.00:	103.2 Construction Work in Progress - Special Construction	100.00	
Less Social Security Tax, O.A.B. 1.00	:	228.3 Accrued U. S. Social Security Tax, O.A.B.		1.00
Less Income Tax Withheld 5.00	6.00:	230.2 Accrued Employee's Income Tax Withheld		5.00
	<u>94.00</u> :	120.2 Cash - REA Construction Fund - Trustee		94.00
Issued REA Construction Check No. 40 for	94.00:			
	:	Issued REA Construction Check No. 40 for Stenographer's salary month of October		
(70)	:	(70)		
Paid rent for month	25.00:	103.2 Construction Work in Progress - Special Construction	25.00	
Issued Check No. 41 for	25.00:	120.2 Cash - REA Construction Fund - Trustee		25.00
	:	Issued REA Construction Check No. 41 for rent, month of October		

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				Text No 15 (Revised)	
<u>EVENTS</u>		<u>ENTRIES</u>		<u>Debit</u>	<u>Credit</u>
(71)		(71)			
Paid telephone bill for month.		103.2 Construction Work in			
		Progress - Special			
Issued Check No. 42 for	\$26.00	Construction		\$26.00	
		120.2 Cash - REA Con-			
		struction Fund -			
		Trustee			\$26.00
		Issued REA Construction			
		Check No. 42 for telephone			
		bill, month of October.			
(72)		(72)			
Paid electric bill for month.		103.2 Construction Work in			
		Progress - Special			
Issued REA Construction		Construction		5.00	
Check No. 43 for	5.00	120.2 Cash - REA Construc-			
		tion Fund - Trustee			5.00
		Issued REA Construction			
		Check No. 43 for electric light			
		bill, month of October			
(73)		(73)			
Paid for postage stamps.		103.2 Construction Work in			
		Progress - Special			
Issued REA Construction		Construction		15.00	
Check No. 44 for	15.00	120.2 Cash - REA Con-			
		struction Fund -			
		Trustee			15.00
		Issued REA Construction			
		Check No. 44 for postage			
		stamps.			
(74)		(74)			
Paid for Office supplies and		103.2 Construction Work in			
expenses.		Progress - Special			
		Construction		18.00	
Issued REA Construction					
Check No. 45 for	18.00	120.2 Cash - REA			
		Construction Fund -			
		Trustee			18.00
		Issued REA Construction Check			
		No. 45 for office supplies			
		and expenses.			

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(Revised)

<u>EVENTS</u>	:	<u>ENTRIES</u>	<u>Debit</u>	<u>Credit</u>
(75)	:	(75)		
Directors' fees and mileage for meeting, October 25, 1945.	:	103.2 Construction Work in Progress - Special Construction	\$ 39.00	
Issued REA Construction Check No. 46 for \$ 39.00	:	120.2 Cash - REA Construction Fund - Trustee		\$ 39.00
	:	Issued REA Construction Check No. 46 for directors' fees, etc.		
(76)	:	(76)		
Purchased and paid for voltmeter testing equipment, ladders, hooks and miscellaneous tools.	:	377 Tools & Work Equipment	200.00	
	:	120.2 Cash - REA Construction Fund - Trustee		200.00
Issued REA Construction Check No. 47 for 200.00	:	Issued REA Construction Check No. 47 for voltmeter testing equipment, ladders, hooks and miscellaneous tools.		
(77)	:	(77)		
Paid for 50 transformers, various sizes.	:	358 Line Transformers	2,700.00	
	:	120.2 Cash - REA Construction Fund - Trustee		2,700.00
Issued REA Construction Check No. 48 for 2,700.00	:	Issued REA Construction Check No. 48 for 50 transformers.		
(78)	:	(78)		
Paid for poles, hardware, conductors, and other materials and supplies.	:	131.1 Materials & Supplies - Electric	8,500.00	
	:	120.2 Cash - REA Construction Fund - Trustee		8,500.00
Issued REA Construction Check No. 49 for 8,500.00	:	Issued REA Construction Check No. 49 for poles, hardware, conductors, and other materials.		

ACCOUNTING PERIOD OF ORGANIZATION AND CONSTRUCTION

Text No. 15

(Revised)

EVENTS				ENTRIES			
						Debit	Credit
(79)				(79)			
Employer's Accrued Social Security, O. A. B., Tax of 1%:				103.2	Construction Work in Progress - Special Construction	\$12.00	
	Mgr.	Bkkpr.	Steno.	228.3	Accrued U. S. Social Security Tax-O.A.B.		\$12.00
Aug.	200.00	--	100.00	To record employer's Social Security O. A. B., Tax of 1% accrued for months of August, September, and October.			
Sept.	200.00	150.00	100.00				
Oct.	200.00	150.00	100.00				
	600.00	300.00	300.00				
1% of \$1200.00 = \$12.00							
Note: Under ordinary circumstances the Social Security Tax should be accrued at the end of each month. The type of entry required would be similar to entry of July, 1945.							
(80)				(80)			
Paid to Collector of Internal Revenue Social Security, O. A. B., Tax for July, August, and September computed as follows:				228.3	Accrued U. S. Social Security Tax O.A.B.	20.00	
	Mgr.	Bkkpr.	Steno.	120.2	Cash - REA Construction Fund - Trustee		20.00
July	150.00	--	100.00	Issued REA Construction Check No. 50 to cover employees' and employer's U. S. Social Security, O. A. B., Tax for the quarter ending September 30, 1945.			
Aug.	200.00	--	100.00				
Sept.	200.00	150.00	100.00				
	550.00	150.00	300.00				
Total, \$1,000 Issued REA Construction Check No. 50 to Collector of Internal Revenue for 2% of total, or \$20.00.							
(81)				(81)			
Submitted to Collector of Internal Revenue Income Tax withheld from salaries during months of July, August, and September, computed as follows:				230.2	Accrued Employees' Income Tax Withheld	80.50	
	Mgr.	Bkkpr.	Steno.	120.2	Cash - REA Construction Fund - Trustee		80.50
July	9.50	--	5.00	Issued REA Construction Check No. 51 to Collector of Internal Revenue for Income Tax withheld from salaries during the quarter ending September 30, 1945.			
Aug.	17.00	--	5.00				
Sept.	17.00	22.00	5.00				
	43.50	22.00	15.00				
Issued Check No. 51 for \$80.50							

ACCOUNTING PERIOD OF ORGANIZATION AND CONSTRUCTION

Text No. 15
(Revised)

<u>EVENTS</u>	:	<u>ENTRIES</u>	<u>Debit</u>	<u>Credit</u>
(82)	:	(82)		
Paid for typewriter repairs	:	103.2 Construction Work in Progress - Special Construction	\$ 6.75	
Issued REA Construction Check No. 52 for \$ 6.75	:	120.2 Cash - REA Construction Fund - Trustee		\$ 6.75
	:	Issued REA Construction Check No. 52 for typewriter repairs.		
(83)	:	(83)		
Paid for lumber for office counter.	:	372 Office Furniture and Equipment	23.50	
Issued REA Construction Check No. 53 for 23.50	:	120.2 Cash - REA Construction Fund - Trustee		23.50
	:	Issued REA Construction Check No. 53 for lumber for office counter.		
(84)	:	(84)		
Paid for labor constructing counter.	:	372 Office Furniture and Equipment	15.00	
Issued REA Construction Check No. 54 for 15.00	:	120.2 Cash - REA Construction Fund - Trustee		15.00
	:	Issued REA Construction Check No. 54 for labor constructing counter.		
(85)	:	(85)		
Paid for gas, oil and miscellaneous repairs on truck which was used 60% of month for right of way clearing and 40% of month for meter installation.	:	350 Land and Land Rights	43.20	
	:	360 Meters	28.80	
Issued Check No. 55 for 72.00	:	120.2 Cash - REA Construction Fund - Trustee		72.00
	:	Issued REA Construction Check No. 55 for gas, oil, and miscellaneous repairs on truck.		

ACCOUNTING PERIOD OF ORGANIZATION AND CONSTRUCTION

Text No. 15
(Revised)

<u>EVENTS</u>	:	<u>ENTRIES</u>	<u>Debit</u>	<u>Credit</u>
(86)	:	(86)		
Paid for rental of warehouse for material and supplies for month.	:	:103.2 Construction Work in Progress - Special Construction	\$15.00	
Issued REA Construction Check No. 56 for \$15.00	:	:120.2 Cash - REA Construction Fund - Trustee		\$15.00
	:	:Issued REA Construction Check No. 56 for rental of warehouse for material and supplies.		
(87)	:	(87)		
Freight and transfer expense on transformers.	:	:358 Line Transformers	18.00	
	:	:120.2 Cash - REA Construction Fund - Trustee		18.00
Issued REA Construction Check No. 57 for 18.00	:	:Issued REA Construction Check No. 57 for freight and transfer expense on transformers.		
(88)	:	(88)		
Paid freight on materials and supplies.	:	:131.1 Materials and supplies - Electric	51.00	
	:	:120.2 Cash - REA Construction Fund - Trustee		51.00
Issued REA Construction Check No. 58 for 51.00	:	:Issued REA Construction Check No. 58 for freight on materials and supplies.		
(89)	:	(89)		
Paid for premium on automobile policy for period of one year from date of purchase.	:	:132.1 Prepayments - Insurance	45.00	
	:	:120.2 Cash - REA Construction Fund - Trustee		45.00
Issued REA Construction Check No. 59 for 45.00	:	:Issued REA Construction Check No. 59 for premium on automobile policy for one year.		

ACCOUNTING PERIOD OF ORGANIZATION AND CONSTRUCTION

Text No. 15
(Revised)

<u>EVENTS</u>	:	<u>ENTRIES</u>	<u>Debit</u>	<u>Credit</u>
(90)	:	(90)		
Paid for janitor services for August, September, and October	:	:103.2 Construction Work in Progress - Special Construction	\$18.00	
Issued REA Construction Check No. 60 for \$18.00	:	:120.2 Cash - REA Construction Fund - Trustee		\$18.00
	:	:Issued REA Construction Check No. 60 for janitor services for August, September, and October.		
(91)	:	(91)		
Received cash from engineer for telephones used by him during September and October 11.00	:	:120.2 Cash - REA Construction Fund - Trustee	11.00	
	:	:103.2 Construction Work in Progress - Special Construction		11.00
	:	:Cash received from engineer for use of telephones during September and October.		
(92)	:	(92)		
Returned to supplier six (6) defective meters @ \$9.00 each.	:	:125.4 Accounts Receivable - Special Construction	54.00	
Total, 54.00	:	:360 Meters		54.00
	:	:To record credit received for defective meters returned to supplier.		
(93)	:	(93)		
Paid for hoist for truck 50.00	:	:373 Transportation Equipment	45.00	
Less cash discount, 10% 5.00	:	:120.2 Cash - REA Construction Fund - Trustee		45.00
45.00	:			
Issued REA Construction Check No. 61 for 45.00	:			
	:	:Issued REA Construction Check No. 61 for hoist for truck.		

ACCOUNTING PERIOD OF ORGANIZATION AND CONSTRUCTION

Text No. 15
(Revised)

<u>EVENTS</u>	:	<u>ENTRIES</u>	<u>Debit</u>	<u>Credit</u>
(94)	:	(94)		
Paid for painting name of cooperative on truck.	:	373 Transportation Equip- ment	\$ 15.00	
Issued REA Construction Check No. 62 for \$ 15.00	:	120.2 Cash - REA Con- struction Fund - Trustee		\$ 15.00
	:	Issued REA Construction Check No. 62 for painting name of cooperative on truck.		
(95)	:	(95)		
Paid for pole-trailer.	:	373 Transportation Equip- ment	40.00	
Issued REA Construction Check No. 63 for 40.00	:	120.2 Cash - REA Con- struction Fund - Trustee		40.00
	:	Issued REA Construction Check No. 63 for pole-trailer.		
(96)	:	(96)		
Paid for an Addressograph machine.	:	372 Office Furniture and Equipment	200.00	
Issued REA Construction Check No. 64 for 200.00	:	120.2 Cash - REA Con- struction Fund - Trustee		200.00
	:	Issued REA Construction Check No. 64 for Addressograph machine.		
(97)	:	(97)		
Paid for Mimeograph equipment.	:	372 Office Furniture and Equipment	150.00	
Issued REA Construction Check No. 65 for 150.00	:	120.2 Cash - REA Construc- tion Fund - Trustee		150.00
	:	Issued REA Construction Check No. 65 for Mimeograph equipment.		
(98)	:	(98)		
Paid annual dues for membership in: State Electrical Organization. Membership year 11-1-45 to 10-31-46.	:	132.2 Other Prepayments 120.00 120.2 Cash - REA Construc- tion Fund - Trustee		120.00
Issued REA Construction Check No. 66 for 120.00	:	Issued REA Construction Check No. 66 for membership to State Electrical Organization from 11-1-45 to 10-31-46.		

ACCOUNTING PERIOD OF ORGANIZATION AND CONSTRUCTION

Text No. 15
(Revised)

<u>EVENTS</u>	:	<u>ENTRIES</u>	<u>Debit</u>	<u>Credit</u>
(99)	:	(99)		
Issued 1215 membership certificates to membership accepted by Board action at \$5.00 each	:	204 Memberships Subscribed but unissued	\$6,075.00	
Total	:	200 Memberships issued		\$6,075.00
	:	1215 membership certificates issued		
(100)	:	(100)		
Paid for Federal Documentary Stamps.	:	301 Organization	10.00	
	:	120.2 Cash - REA Construction Fund - Trustee		10.00
Issued REA Construction Check No. 67 for	:	Issued REA Construction Check No. 67 for Federal Documentary Stamps.		
	:			
(101)	:	(101)		
Accumulated interest, deferred for the period from 8-2-45 to 10-31-45, as follows:	:	103.2 Construction Work in Progress - Special Construction	855.87	
August	:	229.4 Interest Accrued - Deferred - REA Construction		855.87
September	:			
October	:	To record accumulated interest deferred as follows:		
	:			
In practice, entries are made monthly to record interest accumulated during the month. In this illustration, in order to reduce the volume of entries several are combined in one entry.	:	August	\$ 28.61	
	:	September	222.73	
	:	October	604.53	
	:		855.87	

ACCOUNTING PERIOD OF ORGANIZATION AND CONSTRUCTION

Text No. 15
(Revised)

<u>EVENTS</u>	<u>ENTRIES</u>	<u>Debit</u>	<u>Credit</u>
(102)	(102)		
Transferred to REA Construction Funds clearing account the \$19.50 of U.S. Social Security and withheld income Taxes which had been charged to Acct. 103.1 in July. Since the taxes had been remitted to the Collector of Internal Revenue by REA Construction Checks Nos. 50 and 51, it was necessary to clear the charges from the General Funds clearing account. The \$19.50 represents \$9.50 and \$5.00 in Income Tax withheld from General Funds Checks Nos. 26 and 27, plus \$1.50 and \$1.00 withheld from the same checks for U.S. Social Security, Old Age Benefit Tax, and an accrual of \$2.50 as the employer's portion of the latter tax.	: 103.2 Construction Work in Progress - Special Construction : 103.1 Construction Work in Progress - General : Transferred to Special Construction clearing account the taxes set up in General Funds clearing account in July which were later paid from REA Construction Funds.	\$19.50	\$19.50

As of October 31, 1945, the lines were completed and energized.

For the purpose of illustrating the entries of the various transactions enumerated above there has been attached a complete set of General Ledger accounts. By reference to the event number and corresponding entry, the reader should be able to trace any entries to the accounts affected. By tracing these entries to the various accounts, one will become familiar with the nature of the transactions and the reason for such entries. Ordinarily, detailed postings are not made to each account. For accounts such as 103.2 summaries are made on the cash sheet for the month and the summary totals are posted. Monthly columnar totals are posted to other accounts which are not as active as clearing accounts.

The attached trial balance reflects the balances shown in the General Ledger accounts before the operation period begins. It should be noted that up to this point transactions relating to construction only have been recorded, with the exception of prepayment of insurance, membership in State Organization, and other capital investments for office equipment, transportation and tools, work equipment, meters, and transformers. Operating transactions will be explained in the following text.

ACCOUNTING PERIOD OF ORGANIZATION AND CONSTRUCTION

Text No. 15
(Revised)

48 STATES ELECTRIC COOPERATIVE
ST. LOUIS, MISSOURI

TRIAL BALANCE AS OF OCTOBER 31, 1945

<u>Account No.</u>	<u>Name of Account</u>	<u>Debits</u>	<u>Credits</u>
103.2	Construction Work in Progress - Spec. Const.	\$367,867.97	
120.1	Cash - General	6,050.00	
120.2	Cash - REA Construction Fund - Trustee	40,791.25	
122	Petty Cash	25.00	
125.4	Accounts Receivable - Special Construction	54.00	
131.1	Materials and Supplies - Electric	8,551.00	
132.1	Prepayments - Insurance	45.00	
132.2	Other Prepayments	120.00	
135.1	Allotment Available from REA - Construction	54,237.25	
200	Memberships Issued		\$ 6,075.00
213.1	Long-Term-Debt - REA Construction		450,000.00
222.2	Accounts Payable - Special Construction		36,200.00
228.3	Accrued U.S. Social Security Tax - Old Age Benefit		9.00
229.4	Interest Accrued - Deferred - REA Construction		855.87
230.2	Accrued Employees' Income Tax Withheld		44.00
301	Organization	225.00	
350	Land and Land Rights	2,436.20	
358	Line Transformers	2,718.00	
360	Meters	7,499.80	
372	Office Furniture and Equipment	1,271.40	
373	Transportation Equipment	1,050.00	
377	Tools and Work Equipment	242.00	
		<u>\$493,183.87</u>	<u>\$493,183.87</u>

ACCT. 103.1 - CONSTRUCTION WORK IN PROGRESS-GENERAL

Text No. 15
(Revised)

1945		DEBIT	Ref.		1945	CREDIT	Ref.	
					Aug. 31	REA Construction Check No. 1		
June 30	Filing Corporation Papers	3	37.00		Oct. 30	July Taxes Transferred to S/C Clearing Account	102	19.50
" "	Coordinator's Salary	4	167.00				27A	2,838.75
" "	Organization Expenses	5	143.00					
" "	Coordinator for R-of-Way Easements	6	182.50					
" "	Preallotment Maps A-1	7	400.00					
" "	Public Stenographer Service	8	35.00					
" "	Directors' Meetings Paid	10	185.75					
" "	Premium Non-Ownership Policy	11	20.00					
" "	Office Supplies	12	21.50					
" "	Rent	13	25.00					
" "	Recording of REA Mortgage	14	17.50					
" "	Notary Fees	15	112.50					
" "	Recording of R-of-Way Easements	16	135.00					
July 31	Office Equipment	17	875.00					
" "	Advertising for Bids	18	19.00					
" "	Accrued Social Security Tax	18a	3.00					
" "	Telephone Service	19	12.00					
" "	Electric Bill	19	2.75					
" "	Electric Fan	19	7.90					
" "	REA Sign	19	12.35					
" "	Trip to REA Headquarters	19	75.00					
" "	Insurance Premium-Fidelity	19	17.00					
" "	Office Supplies	20	72.00					
" "	Manager's Salary & Mileage	22	178.00					
" "	Stenographer's Salary	23	100.00					
" "	Accrued Social Security Tax	24	2.50					
			<u>2,858.25</u>					<u>2,858.25</u>

103.2 CONSTRUCTION WORK IN PROGRESS - S/C

Text No. 15

(Revised)

1945	DEBIT	Ref.		1945	CREDIT	Ref.
Aug. 31	Preallotment Maps	27	400.00	Oct.	Engineer for	
"	Directors' Fees	27	185.75		Telephones	91 11.00
"	Office Supplies & Postage	27	21.50			
"	Office Rent	27	25.00			
"	Recording Mortgages	27	17.50			
"	Advertising Bids	27	19.00			
"	Telephone Service	27	12.00			
"	Electric Service	27	2.75			
"	REA Signs	27	12.35			
"	Trip to REA Headquarters	27	75.00			
"	Fidelity & Fire Premiums	27	17.00			
"	Bookkeeping Records	27	72.00			
"	Manager's Salary	27	167.00			
"	Stenographer's Salary	27	94.00			
"	Engineering Fee	28	1,500.00			
"	Contractor	29	11,000.00			
"	Trustee Fee	32	100.00			
"	Office Rent	33	25.00			
"	Electric Bill	34	3.50			
"	Telephone Service	35	17.00			
"	Postage Stamps	36	10.00			
"	Office Supplies	37	7.50			
"	Truck License	38	15.00			
"	Manager's Salary & Mileage	39	217.50			
"	Stenographer's Salary	40	100.00			
"	Directors' Fees	41	30.50			
Sept. 30	Contractor	43	133,000.00			
"	Attorney's Fee	46	500.00			
"	Misc. Legal Expenses	47	63.50			
"	Engineer	48	1,500.00			
"	Manager's Salary & Mileage	50	225.25			
"	Bookkeeper's Salary	51	150.00			
"	Stenographer's Salary	52	100.00			
"	Telephone Service	53	16.50			
"	Electric Bill	54	4.25			
"	Office Supplies	55	5.00			
"	Rent	57	25.00			
"	Insurance Premium	58	450.00			
Oct. 31	Inspection Fee of Contractor	61	285.00			
"	Contractor	63	206,000.00			
"	Legal Fees	64	875.00			
"	Engineer	65	9,000.00			
"	Manager's Salary & Mileage	67	227.50			
"	Bookkeeper's Salary	68	150.00			
"	Stenographer's Salary	69	100.00			
"	Rent	70	25.00			
"	Telephone Service	71	26.00			
"	Electric Bill	72	5.00			
"	Postage Stamps	73	15.00			
"	Office Supplies & Expense	74	18.00			
	Total Forwarded		366,912.85		Total Forwarded	11.00

1945		DEBIT	Ref.		1945	CREDIT	Ref.
Oct.	31	Total Brought Forward		366,912.85	Total brought fwd.		11.00
	"	Directors' Fees & Mileage	75	39.00			
	"	Accrued Social Security					
	"	Tax (Aug.Sept.& Oct.)	79	12.00			
	"	Typewriter Repairs	82	6.75			
	"	Rental of Warehouse	86	15.00			
	"	Janitor Service	90	18.00			
	"	Interest	101	855.87			
		July Taxes from general clearing acct.	102	19.50			
				<u>367,878.97</u>			<u>11.00</u>
Balance -				<u>367,867.97</u>			

Text No. 15
(Revised)

[illegible]

1945	DEBIT	REF.		1945	CREDIT	REF.	
Aug. Sept. Oct. "	31 30 31 "	26 42 62 91	18,002.75 130,550.00 247,210.00 11.00	Aug. "			

ACCT. 120.2 - CASH - REA CONSTRUCTION Fund - Trustee

Text No. 15
(Revised)

1945	DEBIT	Ref.	1945	CREDIT	Ref.
	Br. Fwd.			Br. Fwd.	
	395,773.75			146,870.75	
			Oct. 31	Paid for Final Inspection	61 285.00
			"	Paid Contractor	63 185,400.00
			"	Paid Legal Fees	64 875.00
			"	" Engineer	65 7,800.00
			"	Salary for Rof-Way clearing	66 850.00
			"	Manager's Salary	67 208.50
			"	Bookkeeper's Salary	68 126.50
			"	Stenographer's Salary	69 94.00
			"	Rent	70 25.00
			"	Telephone Bill	71 25.00
			"	Electric "	72 5.00
			"	Postage Stamps	73 15.00
			"	Office Supplies & Expense	74 18.00
			"	Directors' Fees & Mileage	75 39.00
			"	Tools & Testing Equipment, etc.	76 200.00
			"	Purchased 50 Transformers	77 2,700.00
			"	Poles, Hdwe., etc.	78 8,500.00
			"	Internal Revenue (Soc. Sec. - Tax)	80 20.00
			"	Internal " (Income Tax withheld)	81 80.50
			"	Typewriter Repairs	82 6.75
			"	Lumber (Office Counter)	83 23.50
			"	Labor-Constructing Counter	84 15.00
			"	Gas & Oil for Truck	85 72.00
			"	Rental - Warehouse	86 15.00
			"	Br. - on Transformers	87 18.00
			"	" - " Materials & Supplies	88 51.00
			"	Ins. Prem. (Automobile Policy)	89 45.00
			"	Janitor's Services (3 months)	90 18.00
			"	Hoist attached to truck	93 45.00
			"	Painting Coop. Name on Truck	94 15.00
			"	Pole Trailer	95 40.00
			"	Addressograph	96 200.00
				Total Forwarded	354,702.50
				Total Forwarded	395,773.75

Total Forwarded

Text No. 15
(Revised)

1945	DEBIT	Ref.	1945	CREDIT	Ref.
	Brt. Forward -		Oct 31	Brt. Forward -	97
			" "	Purchased Mimeo-graph	98
				Membership in State Elec. Org.	100
				Documentary Stamps	
	Balance -				

ACCOUNT 122 - PETTY CASH

Text No. 15
(Revised)

1945	DEBIT	REF.	1945	CREDIT	REF.
July 31	Petty Cash	21	25.00		

ACCOUNT 125.4 - ACCOUNTS RECEIVABLE - SPECIAL CONSTRUCTION

1945	DEBIT	REF.	1945	CREDIT	REF.
Oct 31	Returned 6 meters	92	54.00		

ACCOUNT 131.1 - MATERIALS AND SUPPLIES - ELECTRIC

1945	DEBIT	REF.	1945	CREDIT	REF.
Oct 31	Purchased Poles, Hdwe. etc. Frt. on Mat'l. & Supplies	78	8,500.00		
"		88	51.00		
			<u>8,551.00</u>		
	Balance -		8,551.00		

ACCOUNT 132.1 PREPAIDMENTS - INSURANCE

1945	DEBIT	REF.	1945	CREDIT	REF.
Sept 30	Prem. on Auto. Policy	89	45.00		

ACCT. 132.2 -- OTHER PREPAYMENTS

Text No. 15
(Revised)

1945	DEBIT	REF.	1945	CREDIT	REF.
Oct. 31	Membership in State Electric Organization	98	120.00		

ACCT. 135 - ALLOTMENT AVAILABLE FROM REA -- CONSTRUCTION

1945	DEBIT	REF.	1945	CREDIT	REF.
June 30	REA loan contract & mtgo. Note	9	Aug. 31 Sept. 30 Oct. 31	Treasury Check " " "	26 42 62
					18,002.75 130,550.00 247,210.00 395,762.75
	Balance --				54,237.25

ACCT. 200 -- MEMBERSHIPS ISSUED

1945	DEBIT	REF.	1945	CREDIT	REF.
			Oct. 31	Memberships Issued	99
					6,075.00

ACCT. 204 -- MEMBERSHIPS SUBSCRIBED BUT UNISSUED

1945	DEBIT	REF.	1945	CREDIT	REF.
Oct. 31	Memberships Issued	99	May 31 June 30	Memberships Subscribed " " "	1 2
					3,790.00 2,285.00 6,075.00

ACCT. 213.1 - LONG-TERM DEBT - REA CONSTRUCTION

1945	DEBIT	REF.	1945	CREDIT	REF.	
			June	REA loan contract & mtg Note	9	450,000.00

ACCT. 222.2 - ACCOUNTS PAYABLE - SPECIAL CONSTRUCTION

1945	DEBIT	REF.	1945	CREDIT	REF.	
			Aug. 31	10% Withheld from Contractor's Aug. Inv.	29	1,100.00
			Sept. 30	10% Withheld from Contractor's Sept. Inv.	43	15,300.00
			Oct. 31	10% Withheld from Contractor's Oct. Inv.	63	20,600.00
			Oct. 31	Bal. Due Engineer on Contract	65	1,200.00
						<u>36,200.00</u>

ACCT. 228.3 - ACCRUED U.S. SOCIAL SECURITY TAX - OLD AGE BENEFIT

Text No. 15
(Revised)

1945	DEBIT	REF.	1945	CREDIT	REF.
July 31	Accrued Soc. Security Tax	19	June 30	Social Security Tax (Coordinator)	4
Oct. 31	" " "	80	" "	" " "	6
			July 31	Accrued Soc. Security Tax	18a
			" "	Social Security Tax Manager	22
			Aug. 31	" " Stenographer	23
			Sept. 30	Accrued Soc. Security Tax	24
			Oct. 31	Soc. Security Tax (Manager)	39
				" " Stenographer	40
				" " Manager	50
				" " Bookkeeper	51
				" " Stenographer	52
				" " Manager	67
				" " Bookkeeper	68
				" " Stenographer	69
				" " Tax	79
				Balance -	12.00
					35.00
					9.00

ACCT. 229.4 - INTEREST ACCRUED - DEFERRED - REA CONSTRUCTION

1945	DEBIT	REF.	1945	CREDIT	REF.
			Oct. 31	To Record Interest	101
					855.87

ACCT. 230.2 ACCRUED EMPLOYEES' INCOME TAX WITHHELD

Text No. 15
(Revised)

1945		DEBIT	REF.		1945	CREDIT	REF.	
July	31	Collector	19	19.00	June 30	Coordinator (R-off-T Encasements May " " June	4	9.50
Aug.	31	Collector	81	80.50	" "	" "	6	9.50
					July 31	Manager	24	9.50
					" "	Stenographer	23	5.00
					Aug. 31	Manager	39	17.00
					" "	Stenographer	40	5.00
					Sept 30	Manager	50	17.00
					" 30	Bookkeeper	51	22.00
					" 31	Stenographer	52	5.00
					Oct. 31	Manager	67	17.00
					" "	Bookkeeper	68	22.00
					" "	Stenographer	69	5.00
				99.50		Balance -		143.50
								44.00

ACCT. 301 - ORGANIZATION

1945		DEBIT	REF.		1945	CREDIT	REF.	
Aug.	31	Reimbursement to Gen'l. Funds	27	215.00				
Oct.	31	Federal Documentary Stamps	100	10.00				
		Balance -		225.00				

20

100

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ACCT. 350 - LAND & LAND RIGHTS

Text No. 15
(Revised)

1945		DEBIT	REF.		1945	CREDIT	REF.	
Aug.	31	Reimbursement to Gen'l Funds Salary (Clearing R-of-W)	27 30	620.00 450.00				
"		"						
Sept.	30	"	49	450.00				
		Gas & Oil	56	23.00				
		"	66	850.00				
		Salary	85	43.20				
	31	Gas & Oil						
		Balance --		2,436.20				

ACCOUNT 358 - LINE TRANSFORMERS

Text No. 15
(Revised)

1945	DEBIT	REF.	1945	CREDIT	REF.
Oct. 31	50 Transformers Freight on "	77 87	2,700.00 18.00		
	Balance -		2,718.00		

ACCOUNT 360 - METERS

1945	DEBIT	REF.	1945	CREDIT	REF.
Sept. 30	Meters & Meter Sockets Salary - " Installations Oil & Gas (Meter Installations)	44 45 85	7,250.00 275.00 28.80	Oct. 31 Returned 6 defective Meters	92
	Balance -		7,499.80		54.00

ACCOUNT 372 - OFFICE FURNITURE AND EQUIPMENT

1945	DEBIT	REF.	1945	CREDIT	REF.
Aug. 31	Reimbursement to General Funds	27	882.90		
Oct. 31	Lumber for counter	83	23.50		
"	Labor constructing counter	84	15.00		
"	Addressograph	96	200.00		
"	Mimeograph	97	150.00		
	Balance -		1,271.40		

